



# INVESTIGATING THE BEHAVIOR OF TEACHERS TOWARDS SAVING AND INVESTMENT: EVIDENCE FROM MEKELE, TIGRAY, ETHIOPIA

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## ABSTRACT

*This paper investigates the behavior of teaching community towards saving and investment in Mekele, Tigray, Ethiopia. Hence, a teacher's competency determines the quality of education affected by numerous factors like quality of life, and can be associated with saving, consumption, and investment. First-hand data were collected from sample respondents of colleges, high school and elementary school teacher's community with cross-sectional data type placed in Mekele and multistage sampling technique applied to select sample respondents. Out of total (250) questionnaires, distributed 95 percent filled correctly. The finding contraindicates Children education; medication, entertainment, and marriage respectively were the main motives for saving and investment. Besides, Inflation, low-interest rate, and insufficient income were the main reason for an inability to save. Teachers consult before saving and investment decision with investment consultants and family members, on the other hand; public image of sources of investment, an initial amount of investment, potential risk, potential return, and liquidation was the factors influencing teacher's community on deciding to invest. Likewise, based on the hypothesis test of chi-square; Married, Female, family income, multiple earning status, family size, peer influence, self-control, financial literacy and parental specialization were associated positively with saving and investment of teacher's community. The Ethiopian government should give emphasis to the teaching community on different aspects like providing incentives for strengthening and competence in improving quality of education. Similarly, enhancing the mobilization of savings and also making an adjustment on the interest rate, inflation and paving the way to improve their income.*

**Keywords:** Saving; Investment; Behavior; and Teaching community.

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## 1. INTRODUCTION

Across the globe, teaching is among the popular professions. In developing countries like Ethiopia, teachers are a guarantor for future generation and play an important force in the society. The quality of education determines by the competency of teachers because they enjoy the unleashing human potency of individuals in the actual teaching-learning process and the great change in society in addition to families, individuals, and communities. Furthermore, the life quality of teachers influenced efficiency of teachers. The standard living sustain by the individual has closely tied with the quality of life. Moreover, the standards of life directly associated with the absence or presence of material items (cars, home, jewelry, land, home appliance and other items) and able to expend money for health, education, entertainment, music, tour, and art. Lowarence (1981) stated that extensive items are an indication of the high standard of living. Teachers' economic behavior is the reflections of teachers' attitude towards saving, consumption, and investment, which affects the quality of life and influences their educational system and professions. Education, technology, business expansion, and infrastructure are the results of long-term economic growth in a capital investment. In developing countries, the importance of mobilization of domestic savings for economic growth is recognizing for several decades. Deaton (2005) and Rogg (2006), identified severe challenges which tackle poor countries like Ethiopia is the gap between savings and investment. Because of this gap, these countries faced problems to finance investment requirement for economic growth from domestic savings. In developing countries, most of the researches did their study on saving; especially in Ethiopia is at a macro level. However, empirical inquiry on the macroeconomic ignores the heterogeneity of consumers on the assumptions of the household representatives. As Touhami *et al.* (2009) evidenced, the diversity of saving behavior on macroeconomic studies cannot deal with real world. In addition, the study evidenced that, previously it was focus on the theme of the prescriptive, descriptive, conceptual, theoretical and disintegrated aspect of saving and investment behavior. Furthermore, almost all studies appeared on a press and report manner rather than rigorous empirical studies. Low-income countries like Ethiopia is known as poor saving habits, consequently, it results from small domestic savings which are available for investment and affects the ability of financial institutions, this leads to less financing capability of lending of investors, in return tends to backward economic development. Among the recent strategies designed by the Ethiopian government to achieve all over economic development is a plan of Growth and Transformation II (GTP) five years (2015/16-2019/20) of Ethiopia is planning to increase saving rate from 9.5% to 20% to GDP. Therefore, identifying the root cause of saving and investment determinants is the timely issue particularly in the teaching community.

Studies conducted by Collins, (1991); Schmidt-Hebbel *et al.*, (1996); Sinha, (1998); Aryeetey and Udry, (2000); and Loayza *et al.*, (2000) on determinants of saving behaviors using time series cross-sectional data of empirical investigation particularly on rural and urban households. However, across countries, there is a considerable variation in saving behavior due to the socioeconomic situations. Therefore, it is important to pursue a study on the patterns of saving and investment behavior of teacher's community at a micro level. So

far, various studies have done in Ethiopia concerning the determinants of saving and investment.

However, most of them focused on factors affecting saving behavior of cooperative members like Kifle (2012); Aron, Niguse and Getnet (2013) on assessment of Saving Culture among Households of the society; Haile (2013) on determinants of domestic saving in Ethiopia. Workineh (2014) identifying women saving behavior; Girma, Belay, Bezabih, and Jema (2014) on the patterns of saving and investment behavior Tsega and Yemane (2014) on household saving determinants in Ethiopia. The then Some of the studies conducted in Ethiopia have no consistency results on factors affecting saving and investment behavior, and little attention was acknowledged by researchers on the aspects of teacher's community, particularly in Mekele, Ethiopia.

The field of teaching community becoming less preferable, in return, the government tried to take a special treatment on salary incremental and other benefits, but it is questionable whether the incremental is sufficient enough to run their life as well as to play a significant role on the economic growth in terms of saving and investment. Therefore, the domain of this research is investigating saving and investment behavior of teachers' community in Ethiopia with comprehensive and integrated empirical investigation of Collage, high school, and elementary schools.

## 2. GENERAL OBJECTIVE

The main objective of this study is investigating the behavior of teachers' community towards saving and investment in Mekele, Ethiopia.

Specific objectives: To achieve the aforementioned main objective, the paper raises the following specific objectives.

- To evaluate teacher's community socioeconomic implication of saving and investment behavior
- To examine patterns of teachers saving and investment behavior
- To identify factors affecting teacher's community saving and investment behavior

## 3. LITERATURE REVIEW

This part deals with reviewing the previous studies done by different researchers on the area of saving and investment behavior, particularly this study discusses in detail concerning the socioeconomic implication of saving and investment behavior, the pattern of teacher's community and determinants of saving and investment behavior.

### *Saving Behavior*

The word "saving" is broad-based meaning and contains a numerous elucidation. The word saving indicates "the act of abstaining from spending one's income on consumption". Saving is unspent of income. The classical theory defines savings; income minus consumption/expenditure i.e. the residual. Saving also defined, in the accounting concepts as the residue those lefts from the income of an individual's after expenditures on consumer preference of utility maximization of the households. On the other way, saving considered as an anticipated particular movement in the future as the result of the pain of forgoing consumption and pleasure at present. According to Collins (1991), saving is development and growth rate; gross saving is less appropriate than net saving since net saving is an indication of domestic resources in addition to the capital formation. In developing countries, the slow and stagnant economic growth is due to the reason for the low level of domestic savings (Agrawal et al., 2010, & Bordoloi and John, 2011).

### **3.1. Determinants of saving behavior of teacher's community**

#### ***3.1.1 Age distribution of teachers and saving behavior***

According to Fisher (1852), the stage and age of the population affect the amount of income spent on a fraction. As outcome of age distribution, old and young end to spend more proportion of their income than the middle does. Ashok Kumar et al. 1985, also concludes young and old age groups have small saving ratio than middle age groups. There are certain studies, which are inconsistent; they assume that the middle young population saves less than the elder and young population (Foley and Pyle, 2005). However, another study like the one Attanasio (1997) concludes, younger people save more and elder people saves less, which is individual's age, is negatively correlated with saving.

#### ***3.1.2 Gender of teachers community and saving behavior***

As studies conducted by Kiiza and Pederson (2002); kalwij (2003; Gagnon et al., (2006) in different countries show that, male households had less saving behavior than females. Because of the life development, style and Female households expected to cover the consumptions and other costs for any social interaction. Another empirical study (Bersales & Mapa, 2006) reveals the reverse result, i.e., female households have less saver because little power to control including their income.

#### ***3.1.3. Educational distribution of teachers and saving behavior***

According to Bernheim and Garrett (1996); and Zhang et al., (2003) education are considered as a proxy for human development, which is the theme for enhancing the human capability and productivity in personal income as well as savings. It has a positive indirect effect on education via income incremental. On the other side, Kulikov et al., (2007) found that education has a negative effect on savings. Education is direct positively associated with savings because of financial literacy (Browning & Lusardi, 1996) people enables to know return and risk of various financial products and to understand complexity in accessing the products. Moreover, other studies concluded individuals who have less educated are more likely to save for their saving goal.

#### ***3.1.4. Income of teacher's community and saving behavior***

Income plays a significant role and important variables in the household savings. There are various concepts, which affect the income, for instance, lifecycle income, relative income, permanent income on savings behavior. The theory of absolute income was developed by Keynes in (1936) which indicates absolute income and savings are positively associated and consistent with the view of after income exceeds consumption, saving will rise. With the concept of increasing income, households should borrow when young, when middle age save for retirement and dis-save when retired (Deaton, 1992). The theory developed by Freidman (1957) indicates permanent income consumed and save the temporary income. There is a contradictory result on this theory, some support the permanent income changes and others turn down it.

#### ***3.1.5 Marital status and teacher's community-saving behavior***

In addition to the income of households, marital status substitutes for saving behavior because the value of the family is an important factor for savings. In the saving behavior of households and economic development, the family has played an immense value as (Collins 1991 and Sinha, 1998) study. For financial planning, marriage is an important factor, since marriage is morally and socially responsible for the collective interests of the family. It assumes that married households can save more than single due to multiple earners and

economies of scale. Studied done by Mosk (2010) shown that married and unmarried had less saving behavior than a widowed household did. Because widowed faced the unexpected and additional risk of life for instance for nurture children alone.

### ***3.1.6. Inflation and the teacher's community-saving behavior***

In developing countries like Ethiopia, inflation has negatively associated with saving behavior of households. It has argued that inflation has a negative impact on savings, with low consumption levels where consumers are likely to resist cut into real consumption. There is no consistent evidence on the empirical studies of saving and inflation, some of the studies shown a mixed impact. A study done by Gupta (1970) and Joshi (1970) concludes mixed, no impact on savings and negative effect. Smaller immediate consumption than in the future is preferable for saving (Richard et al., 1974).

### ***3.1.7. Interest rate and teacher's community-saving performance***

Any aggregate level of expendable income is allocated between saving and consumption (Norashikin et al., 1993). By its nature, to get good profit in the future people save money at the current due to the preference of human being is to real consumption at large in the future than consuming an immediately at small (Richard et al., 1974).

### ***3.1.8. Size of the family and teacher's community-saving behavior***

Size of the family also affects the propensity to save and consume, when the family size increased, the propensity to consume will also increase as the result of an increase in demand for food, clothing, and other necessities for life (Ashok and Jagadeswara, 1985). Furthermore, Martin (1996) stated that the economic behavior of every household is significantly associated with the existence of children. In the absence of children influences the allotment of a given household budget plan; every aspect of the family economic activity significantly correlated with the presence of children in the household. Children affect the allotment of a given household budget; definitely, the pattern of family demand is also affected. Government and private household employees' behavior to save and propensity to consume is significantly different. Generally, it is known government employee save less than self-employed due to a probability of expanding their profession and expanding of business (NCEAR, 1960).

### ***3.1.9. Financial literacy and saving behavior of teachers' community***

This is concerning the adequate knowledge of personal finance and successful management of individual finance (Forgue & Garman, 1997). Anthes (2004) defines as the capacity to read, manage, analyze, and able to put across financial conditions of his/her day-to-day business activities. Delafrooz and Laily (2011) finding shown that financial literacy influences significantly saving behavior of household. With the low level of financial literacy, households are not supposed to save and finally combat financial difficulty in the future. The study conducted by Sabri and MacDonald (2010) express that, it is positively associated with household saving behavior.

### ***3.1.10. Peer influence and saving behavior of teachers' community***

According to Erskine et al. (2005), peer influence has an impact on the behavior of the household. Duflo and Saez (2002), also found, in retirement saving decision, it plays a significant role. On the other hand, peer influence and saving behavior only encourage co-workers to engage in retirement saving (Beshears et al., 2010).

### ***3.1.11. Self-control and saving behavior of teacher's community***

Self-control defined as the ability to classify and regulate one's feelings, wishes and characterized by self-discipline, bodily exertion and the ability to delay contentment (Baumeister, 2002). Esenvalde (2010) empirical study concludes, there is an association between self-control and saving behavior positively.

### ***3.1.12. Parental Socialization and saving behavior of teachers community***

Webley and Nyhus (2005); Otto (2009), have investigated their study on the concept of parent's behavior touching on the economic activity of their children. Accordingly, the result shown that the associations between parental orientation and parental behavior have a less strong but have a clear effect on the economic behavior of adulthood and their children.

Past study reveals that dividing the family's income between saving and consumption is a complex process. Although several factors determine them, it varies over the region, time and community. In this context of use, it would be fascinating to analyze the consumption and saving behavior among teachers and to make a diagnosis of the economic magnitude and social-cultural behavioral patterns.

## **3.2. Investment behavior**

Personal income of a single family categorized into consumption and savings, if saving becomes active, which saved in a return, bearing fashion, the act of this return is "investment". The sense of investment here refers to enhance in real capital, in return leads to generating of income, which is the formation of capital. Largely, investment is a wider concept, but family investment refers to the micro of it, household investment mainly, refers to convert savings of households into profit giving alternatives. There are a number of investment related risks, such as inflation risk, non-payment risk, political risk, social risk, and business risk. Therefore, while households try to invest money in a particular area, three objectives should be satisfied (profitability, safety, and liquidity).

In addition to risk and return, investment decisions influenced by different factors: initial investment, loan facility, tax benefit, institution, age and needs, social conditions, liquidity, past experiences, and marketability. The investment of household may be in the form of physical and financial investment. The financial investment consists of shares, debentures, securities in companies, deposits in banks, contributions to the provident fund. Physical investments comprise of stock of raw materials, land, vehicles, and buildings.

### ***3.2.1. Determinants of Investment Behavior***

The opportunity for investment of households or any individual level called instruments. The alternative taken by an investor in selecting a specific instrument is "investment behavior". The amount of finance process, which commenced with a surplus income, including both operating and non-operating earnings, refers to investment behavior. The principal determinant factors influencing investment behavior of an individual in which commonly used are psychological factors (perceived investment-related benefits, attitude, personal beliefs, values) and sociological factors (social classes, culture/subculture, and reference group). Manasi and Rawal (2016) identified marriage, security after retirement and children education is the main reason for teachers' investment.

The perceptions of the household may be influenced by various groups and cultural surroundings with whom interrelates and the forms of investment influenced by the thinking and beliefs of the individual (Ronald, 1975). Furthermore, (James and John, 1973) study showed that investment behavior influenced by the people is which belongs to a class of membership. The behavior of investors also affected by the small groups (fraternal

organization, religious groups, labor unions, neighbors or close friends, family) investor belong or aspire to belong (William, 1975). An earlier study has shown that informal personal advice is much more effective than an advertisement (newspapers, journals, magazines, and other mass media). While selecting investment pattern more likely word mouth influenced.

The investment process is not an easy task, it is highly dynamic and complex, a number of stages have been involved like information search, problem recognition; taking investment decisions; evaluation of investment alternatives; and post-investment behavior. There are four sources, which an investor can get information about their investment such as personal source, family, friends, neighborhoods, and commercial sources.

### **3.2.2. Formulation of Hypothesis**

Based on the extensive literature review, this paper formulates the following research hypothesis for the investigation of this study.

Ho1: (Peer influence, self-control, and financial literacy) determines saving and investment behavior of teachers.

Ho2: An individual characteristic of the teachers determines their decision to save and invest.

Ho3: Family characteristics of teachers determine their decision to save and invest.

## **4. MATERIALS AND METHODS**

The study was undertaken to conceive and understand the determinants of saving and investment behavior of teacher's community in Ethiopia. The primary data has collected from teachers found at Mekelle University, summer students. The study used a mixed research approach in a cross-sectional manner. The respondents of this study were only teachers, those who have working in various government educational schools.

To collect relevant information, the researcher used primary and secondary data sources. The first-hand data has collected from the respondents by applying self-administered questionnaires in order to investigate in-depth inquiry. The composition of the questionnaire was open and closed-ended questions including the five-point Likert scale. Multistage sampling technique has used to choose the sample participants to collect primary data. The first stage, Mekele University has chosen purposefully among the Ethiopian University; second stage five departments selected, and then lastly based on their proportion respondents has selected using simple random sampling from lists of each department. The Number of sample respondents was 250 teachers, which were chosen using simple random sampling (50, collage; 130, high school; and 70, elementary schools), located in Mekele University with two campus summer joined teachers for Pedagogy and those who are upgrading their status. Statistical Package for Social Science (SPSS) version 20 has been used to analyses the field survey data. Besides, the chi-square test applied for analyzing and interpreting the field survey data.

## **5. RESULTS AND DISCUSSIONS**

Different instruments adopted to realize the objectives of the study and generally, this section deals in line with data analysis and presentation, which was collect through a field survey on teachers' community saving and investment behavior. Out of 250 questionnaires distributed to the sampled respondents, 237 has filled correctly, thus, the returnable rate was approximately 95%, which is acceptable. Besides, results of statistical description and chi-square t-test presented as follows:

## Respondents Socioeconomic Characteristics

The distribution of respondents accordant to gender is shown in table 1 below, the gender distribution informs the greater proportion of teacher community 137 (57.8%) in the study area reveals male while 100(42.5%) were female. This explains the dominance of male teachers than female. As the findings shown below more than 60 percent of respondents responded, was non-saver. Consequently, this result evidenced that male household had less saving behavior than females which supports the declaration of Kiiza and Pederson (2002); Kalwij (2003; Gagnon et al., (2006) especially in less developed countries the life development style and Female households are expected to cover the consumption's and other costs for any social interaction.

The same table shows 136(57.4%) of teachers were within the age range of 25-35 years. While 65(27.4%) were in the age category of below 25 years. This is a sign that teachers were economically active age category. It has also an implication of productive to save and invest in the matured age category because this segment of the population has the ability implementing effectively and efficiently. This result supports the Attanasio (1997) statement as younger people save more and elder people saves less, in which individual's age negatively correlated with saving.

Majority of respondents 139(58.5%) family monthly income was within the interval of 2001-5000 ETB which followed 48(20.7%) under the income category of 7001-9000 ETB. According to table 1 below presented, around 109(45.9%) of teacher's community Proportion of Saving on Income found between 11-20%, comparatively high school teachers had more coverage on this. In Ethiopia, practically the maximum salaried citizen on the academic wing is university teachers. Meanwhile, the number of those participants in this study is also small in number; as a result, the highest amount of category lied on high school teachers, it may be due to high school teachers have an opportunity to teach/give tutor for moneyed family students to earn additional income and other may not have such chance.

Concerning family earning the status of respondents, it showed that 145(56.1%) of the teacher community have a single family earning and 105(43.9%) were engaged in multiple earnings. As family size is concerned, the majority of participants 138(58.2%) have a family size of 3-5 followed by 80(21.2%) below two. The family life of respondents showed that almost 3/4<sup>th</sup> were grown up and background of participants of the study reveals 177(74.8%) rural.

In the same table, the proportion of the marital status of the teacher community in this study, unfortunately, shows the immaterial difference. Therefore, this result expresses marital status of teacher community was half-married and unmarried. Likewise, high school teachers were unmarried, once more it might be due to lack of time to engage in such activities comparative to others. This study used a cross tabulation to indicate whether the three categories of teacher community had a background of business or non-business. Accordingly, the highest proportion 170(71.9%) of teacher's field shows non-business profession and few magnitudes was a business field. In addition, almost all participants except 22(9.2%) were first-degree holders. As the samples result, shown most of the presented categories of teachers were first-degree holders.



**Table 1** Respondents Socioeconomic Characteristics

Gender of respondents	Category of Teaching			Total sample 237
	Collage 44 (18.6)	High School 127 (53.6)	Elementary School 66 (27.8)	
Female	10 (4.2)	67 (28.2)	23 (9.7)	100 (42.2)
Male	34 (14.4)	60 (25.4)	43 (18.1)	137 (57.8)
Age of Respondents				
below 25 years	5 (2.2)	39 (16.4)	21 (8.8)	65 (27.4)
25-35 years	39(15.4)	78 (33)	19 (8)	136 (57.4)
36-45 years	0	10 (4.2)	26 (11)	36 (15.2)
Marital Status of Respondents				
Married	34 (14.3)	46 (19.4)	38 (16)	118 (49.7)
Unmarried	10 (4.2)	77 (32.5)	28 (11.8)	115 (48.5)
Divorce	0	4 (1.6)	0	4 (1.7)
Teachers Field of Study				
Business	0	36 (15.1)	31 (13)	67 (28.1)
Non-Business	44 (18.6)	91 (39.4)	35 (14.9)	170 (71.9)
Educational Status				
Diploma	0 (0)	5 (2.1)	5 (2.1)	10 (4.2)
First Degree	44 (18.6)	110 (46.4)	61 (25.8)	215 (90.8)
Second Degree	0 (0)	12 (5)	0 (0)	12 (5)
Family Monthly Income				
Below 2000ETB	0 (0)	31 (13)	14 (6)	31(19)
2001-5000 ETB	44 (18.5)	69 (29)	26 (11)	139(58.5)
5001-7000 ETB	0 (0)	4 (1.6)	0 (0)	4(1.6)
7001-9000 ETB	0 (0)	22 (9.7)	26 (11)	48(20.7)
Above 9001 ETB	0 (0)	0 (0)	0 (0)	0(0)
<b>The proportion of Saving on Income</b>				
Nil	6 (2.5)	3(1.2)	0 (0)	9(3.7)
less than 10%	34(14.3)	21(8.8)	5(2.1)	60(23.1)
11-20%	0 (0)	79(33.3)	30(12.6)	109(45.9)
21-30%	0 (0)	11 (4.6)	31 (13)	42(17.6)
above 30%	4(0)	13 (5.5)	0(0)	17(5.5)
Family Earning Status				
Single	10 (4.2)	40 (16.9)	30 (12.6)	80(37.8)
Multiple	34 (14.3)	87 (36.7)	36 (15.2)	157 (66.2)
<b>Family size</b>				
Below 2	6(2.5)	60 (25.3)	14 (5.9)	80(33.9)
3-5	38 (16)	55 (23.2)	45 (19)	138(58.2)
Above 6	0 (0)	12 (5)	7 (2.9)	19(7.9)
<b>Family Life of Respondents</b>				
Dependent children	6 (2.5)	39 (16.5)	17 (7.1)	62(26.1)
Grown Up	38 (16)	88 (37)	49 (20.6)	175(73.9)
<b>Background of Teachers</b>				
Urban	6 (2.5)	40 (16.8)	14 (5.9)	60(25.2)
Rural	38 (16)	87 (36.9)	52 (21.9)	177(74.8)

Sources: Own field survey, 2018

### Motives of saving and investments

Query has raised (entertainment, education, compulsory saving, marriage, medication, government regulation, secure retirement, assured loan and freedom for risk) to indicate the motives of teacher community for saving in Financial Institutions. Accordingly,142 (36%) of

respondents responds they save in financial institutions for the purpose of children education which was followed by 71(18%), 57(14.5%), and 48(12.2%) for the sake of medication, entertainment, and marriage respectively. Similarly, Manasi and Rawal (2016) identified marriage, security after retirement, and children education are the main reason for teachers' investment. It is acknowledging that the fact of purpose for investment and savings are for the sake of economic and social activities. Here in this study, children education is the main motives which followed by medication, entertainment, and marriage for saving and investment.

**Table 2** Purpose of Saving Habit in Financial Institutions

Reasons/Purpose	Category of Teaching			
	Collage 44 (11.2)	High School 208 (52.9)	Elementary School 141 (35.9)	Total 393
Entertainment	6 (13.7)	21 (10.1)	30 (21.3)	57 (14.5)
Education	6 (13.7)	79 (38)	57 (40.4)	142 (36)
Compulsory Saving	32 (72.8)	2 (1)	0 (0)	34 (8.6)
Marriage	0 (0)	39 (18.7)	9 (6.4)	8 (12.2)
Medication	0 (0)	26 (12.5)	45 (31.9)	71 (18)
Government Regulation	0 (0)	9 (4.3)	0 (0)	9 (2.3)
Security Retirement	0 (0)	4 (1.9)	0 (0)	4 (1)
Assured Loan	0 (0)	1 (0.5)	0 (0)	1 (.3)
Freedom for Risk	0 (0)	27 (13)	9 (6.4)	36 (9.2)

Sources: Own field survey, 2018

### Saving and investment Habit of Teachers Community

The greater proportion of teachers community 213(89.8%) has a habit of saving, whereas the remaining 24 (10.2%) non-saver. A comparatively high schoolteacher has more saving habits and knowledge than another category. This result can be ensured that the community has a high-income category from different sources and have business field ground.

**Table 3** Saving and investment Habit of Teachers Community

Do you have a Saving Habit * Category of Teaching Cross-Tabulation				
Do you have a Saving Habit and investment extent	Category of Teaching			Total 237
	Collage 44 (18.6)	High School 127 (53.6)	Elementary School 66 (27.8)	
Yes	38 (16)	109 (46)	66 (27.8)	213 (89.8)
No	6 (2.6)	18 (7.6)	0 (0)	24 (10.2)

Sources: Own field survey, 2018

### Reasons for Inability to Save

Furthermore, in table 4 non-saver respondents have replied their responses on reasons for Inability to save like inflation, low interest, insufficient income and other covers 88(37.1%), 84(35.4%), 44(18.6%) and 21(9.8%) respectively.

**Table 4** Reasons for Inability to Save

Alternatives	Category of Teaching			Total 237
	Collage 44 (18.6)	High School 127 (48.6)	Elementary School 66 (28.8)	
Inflation	2 (0.8)	43 (18.1)	43 (18.1)	88 (37.1)
low Interest	32 (13.5)	29 (12.3)	23 (9.7)	84 (35.4)
Inefficient Income	4 (1.7)	40 (16.9)	0 (0)	44 (18.6)
Others	6 (2.6)	15 (6.3)	0 (0)	21 (8.9)

(Sources: Own field survey, 2018)

### Teacher's Major investment area Alternatives

To indicate teachers' major investment area alternatives, different options have been raised, accordingly table 5 reveals most teacher category 222(57.1%) used bank deposit which was followed by saving and credit institution 120(30.8%) whereas teachers involvement in corporate securities, fixed assets, and Jewelry/Gold were less.

**Table 5** Teachers Major investment area Alternatives

Alternatives	Category of Teaching			Total 389
	Collage 88 (22.6)	High School 189 (48.6)	Elementary School 112 (28.8)	
Saving and Credit Institution	34 (38.6)	60 (31.7)	26 (23.2)	120 (30.8)
Bank Deposit	42 (47.7)	114 (60.3)	66 (59)	222 (57.1)
Corporate Securities	0 (0)	4 (2.1)	0 (0)	4 (1)
Fixed Assets	0 (0)	6 (3.2)	14 (12.5)	20 (5.1)
Jewelry/gold	10 (13.4)	5 (2.7)	0 (0)	15 (3.9)
Others	2 (2.3)	0 (0)	6 (5.4)	8 (2)

Sources: Own field survey, 2018

### Major sources consulted before to save and invest by teachers' community

From table 6 presented below the major sources of information consulted before to save and invest by teachers' community. Accordingly, out of total respondents 126(53.2%) replied the primary information was investment consultants followed by family members 108(45.5%), thus, friends, colleagues, Information from news, and Investment journals were not taken as a source and type of information before taking saving and investment decision.

**Table 6** Major sources consulted before to save and invest by teachers' community sample

Alternatives	Category of Teaching			Total
	Collage 44 (18.6)	High School 127 (53.6)	Elementary School 66 (27.8)	
Friends	0 (0)	8 (3.4)	5 (2.1)	13 (5.6)
Investment consultants	36 (15.2)	45 (19)	45 (19)	126 (53.2)
Colleagues	6 (2.5)	3 (1.3)	5 (2.1)	14 (5.9)
Information from the news, Investment journals	0 (0)	19 (8)	0 (0)	19 (8)
Family Members	6 (2.5)	60 (25.3)	42 (17.7)	108 (45.5)

(Sources: own field survey, 2018)

### ***Factors Influencing Teachers Community Decision to Invest in particular sources***

Besides, questions have raised to indicate factors influencing teachers' community decision to invest in a particular source. The cross-tabulation result shown that 116(49%) of respondents replied Public Image of Sources of Investment which was followed by 54(22.8%), 47(19%), 28(11.8%) and 20(8.4%) initial amount of investment, potential risk, potential return, and liquidation respectively.

**Table 7** Factors Influencing Teachers Community Decision to invest in particular sources

Alternatives	Category of Teaching			Total 237
	Collage 44 (18.6)	High School 127 (53.6)	Elementary School 66 (27.8)	
Liquidity	0 (0)	20 (8.4)	0 (0)	20 (8.4)
Potential Risk	0 (0)	21 (9)	26 (10)	47 (19)
Potential Return	4 (1.7)	15 (6.3)	9 (3.8)	28 (11.8)
Initial Amount of Investment	0 (0)	54 (22.8)	0 (0)	54 (22.8)
Public Image of Sources of Investment	40(16.9)	19 (8)	57 (24)	116 (49)

Sources: Own field survey, 2018

### ***Factors influencing saving and investment behavior***

To indicate whether financial literacy, peer influence, self-control and parental specialization have an effect on saving and investment behavior on teacher community, this study stated numerous questions. These questions measured in terms of a five-point Likert scale. On the side of peer influence items like my friend is role model for my save, discussing saving management issues with a friend, spend leisure time with friends, involvement spending with friends resulted individual as well as entire mean value ( $M=3.19$ ) is above average except comparison of savings with friends with a standard deviation of 0.77. Therefore, the finding reveals peer influence has a positive effect on savings of teacher's community positively.

On the other hand, to test whether self-control has an effective teacher's community, seven items has raised. As a result, the mean value of having better understanding how to manage credit use, ability to record income and expenditures, no difficulty in managing money, better understanding on financial instruments, ability to prepare monthly budget have a positive on saving habit of teaching community except having better understanding to invest money, and clear idea of financial needs. Over the mean value of seven items were ( $M=3.18$ ) and standard deviation of 1.03.

Similarly, respondents asked questions to show their agreement on the items of financial literacy. The result reveals they did not save because of strong to save, as they got the money they spend immediately, careless on using the money, no worry about today's spending, weak self-control on spending money were among the items which describe teaching the community. This means teacher's community is affected by financial literacy, individual mean value and overall mean were above average ( $M=2.86$ ) with a slandered deviation of 0.79.

### ***Determinants of Saving and Investment Behaviors***

This affected by numerous factors like economic, psychological as well as demographically. In this part, an attempt made to analyze the factors affecting the behavior of saving and investment. Worldwide there are some accepted pieces of literature strongly affecting the

behavior of teachers saving and investment likes family circumstance, individual differences, and economic aspects.

Teaching community is not an exception to this situation, which covered in this study. To find out the relationship between factors on saving and investment behavior the following factors have taken: Marital status, Age, Gender, Family size, Educational status, Family income, Family Structure, Family size, Peer influence, Self-Control and Financial literacy of respondent's chi-square test is applied.

Therefore, this part was deal to accept/reject the null hypothesis as the result of an existing relationship between dependent and independent attributes. If there is no association/relationship between attribute variables, rejected null hypothesis and vice versa. Besides the test of chi-square on the stated factors, affecting teacher's community presented in tables 7. The investigation of the saving and investment behavior of teaching community expose that it tends to be high in the case of those who are in the young (below 25 years old) and middle age (25-35 years) years of age, married, females, first degree, high school teachers, extended families, and those with a rural background.

Therefore, except age of respondents and educational status they remain hypothesis rejected, this indicates there is a relationship between dependent variables (saving and investment behavior) and independent variables (Marital status, Gender, Family size, Family income, Family Structure, Family size, Peer influence, Self-Control and Financial Literacy).

**Table 8** Results of the Chi-squares t-test

Predictor variables	Null Hypothesis	P-value	Accept/reject Ho
Marital status	There is no association between Marital status and level of savings and investment.	<0.0001	Reject
Age	There is no relationship between Age and level of savings and investment.	<0.2747	Accept
Gender	There is no relationship between Gender and level of savings and investment	<0.0011	Reject
Family size	There is no association between Monthly family income and level of savings and investment.	<0.0001	Reject
Educational status	There is no relationship between teachers Educational status and level of savings and investment	<0.2747	Accept
Family income	There is no association between Monthly family income and level of savings and investment.	<0.0001	Reject
Family Structure	There is no association between teacher's family structure and level of savings and investment.	<0.0001	Reject
Family size	There is no association between Family size and level of savings and investment.	<0.0001	Reject
Peer influence	There is no association between Peer influence and savings and investment.	<0.0001	Reject
Self-Control	There is no association between Self-control of teachers' community and savings and investment.	<0.0001	Reject
Financial literacy	There is no association between Financial literacy of teachers' community and savings and investment.	<0.0001	Reject

(Sources: own field survey, 2018)

## 6. CONCLUSIONS

This study attempts to come back with three research questions test eleven formulated research hypotheses and achieve three objectives. The main motives of saving and investment found children education followed by medication, entertainment, and marriage. Majority of respondents have less habit of saving and investment. Likewise, reasons for Inability to save were inflation, low interest, and insufficient income. The investigation of the saving and investment behavior of teaching community expose that it tends to be high in the case of those who were in the young (below 25 years old) and middle age (25-35 years), married, females, first degree, high school teachers, extended families, and those with a rural background.

Consultation of teacher community before saving and making an investment decision depends on investment consultants and family members, on the other hand; public image of sources of investment, an initial amount of investment, potential risk, potential return, and liquidation respectively was the factors influencing teacher's community decided to invest in a particular source. Financial literacy, peer influence, self-control and parental specialization have an effect on saving and investment behavior of teacher community. Except for age and educational status, the remain attributes has an association positively with savings and investment like marital status, gender, family size, family income, family structure, family size, peer influence, self-control and financial literacy. The Ethiopian government should give emphasis on teacher's community in initiating on different aspects of strengthening and competence in improving quality of education. As teachers become competence, financially strong, have the standard living condition the then quality of education will improve

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